

# 360 Capital Total Return Fund

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13 April 2017

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

**Successful Completion of the Institutional Component of  
360 Capital Total Return Fund \$40.6 million capital raising**

360 Capital FM Limited as Responsible Entity for the 360 Capital Total Return Fund (Fund or ASX: TOT) is pleased to announce the successful completion of the placement to institutional investors ('Institutional Placement') and the institutional component of the 1-for-1 non-renounceable entitlement offer ('Institutional Entitlement Offer') which raised \$22.7million. The Placement and Institutional Entitlement Offer form part of the \$40.6million capital raising for the Fund announced on 11 April 2017 ('Equity Raising').

TGP holds approximately 24.3% of Stapled Units in TOT and took up its full entitlement under the Entitlement Offer.

Moelis Australia Advisory Pty Ltd and Morgans Corporate Limited are Joint Lead Managers and Underwriters to the Equity Raising.

## **Use of Proceeds**

Proceeds from the Equity Raising will be used to expand and diversify the Fund's investments. To this end, the Fund has entered into agreements for two major transactions for a total of \$79.0 million:

### **1. Investment in new private equity fund:**

TGP has established the 360 Capital 2017 Private Equity Real Estate Fund ("PERE Fund"). TOT has agreed to acquire a cornerstone stake in the PERE Fund for \$74m, together with a 25% stake in the investment manager of the PERE Fund for nominal consideration. TOT's investment in the PERE Fund is funded through contributing units it holds in IDR (\$40.5m) together with a \$33.5m cash investment for the balance.

### **2. Investment in mezzanine debt and business debt business:**

TOT has also acquired 50% of Australian Mezzanine Finance Pty Limited ('AMF') for nominal consideration. AMF will provide alternative lending and structured financing solutions to Australian real estate investors and developers. The other 50% will be held by TGP. TOT will also commit \$5.0m for mezzanine financing transactions in line with TOT's investment strategy.

Following completion of the Equity Raising, TOT will be debt free.

The Equity Raising is part of TOT's strategy of growing its asset base and making TOT the flagship ASX listed managed fund of the 360 Capital Group.

## **Institutional Placement and Entitlement Offer**

The Institutional Placement and Entitlement Offer received very strong support from a range of existing and new institutional investors and was significantly oversubscribed.

## **Retail Entitlement Offer**

The Retail Entitlement Offer will give Eligible Unitholders the opportunity to acquire 1 New Stapled Unit for every 1 Existing Stapled Units held at 7.00pm AEST on 13 April 2017 ('Entitlements'). The Retail Entitlement Offer will open on 20 April 2017 and close on 2 May 2017.

## 360 Capital Total Return Fund

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on the ASX or otherwise transferable. Unitholders who do not take up all, or any part, of their Entitlements will not receive any payment or value in respect of those Entitlements not taken up and their equity interest in the Fund will therefore be diluted.

New Stapled Units issued under the Entitlement Offer will rank equally with existing Fund Stapled Units on issue from allotment and will be eligible for the forecast June 2017 quarter distribution of 2.4 cents per Unit (cpu).

It is the responsibility of Unitholders to inform themselves of the eligibility criteria for the exercise of their Entitlements. Further details on eligibility criteria to exercise Entitlements will be included in the Entitlement Offer Booklet to be lodged with the ASX and sent to Eligible Unitholders on 20 April 2017.

Eligible Unitholders are encouraged to carefully read the Entitlement Offer Booklet for further details relating to the Entitlement Offer. If Unitholders wish to obtain more information in the interim, please call the 360 Capital Information Line on 1300 082 130 (within Australia) or on +61 2 9290 9600 (from outside Australia) between the hours of 8.30am and 5.00pm Monday to Friday (AEST) (excluding public holidays).

The Entitlement Offer Booklet may also be accessed on the ASX web site under the Fund's announcement under ASX code TOT once available.

More information on TOT can be found on the ASX's website at [www.asx.com.au](http://www.asx.com.au) using the Fund's ASX code "TOT", on the Fund's website [www.360capital.com.au](http://www.360capital.com.au), or by calling the 360 Capital Information Line on 1300 082 130 or emailing [investor.relations@360capital.com.au](mailto:investor.relations@360capital.com.au)

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### **About 360 Capital Total Return Fund (ASX code TOT)**

360 Capital Total Return Fund aims to provide total returns with a performance hurdle of 12% per annum to investors through a selective and disciplined investment philosophy, combined with access to real estate based investment opportunities available to the Fund through the 360 Capital platform. The Fund is externally managed by 360 Capital Group, a leading ASX-listed real estate investor and fund manager that operates under a transparent fee structure and is co-invested the Fund to ensure ongoing alignment of interests with Unitholders.

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### **About 360 Capital Group (ASX: TGP)**

360 Capital Group is an ASX-listed, property investment and funds management group concentrating on strategic investment and active investment management of property assets. The Group actively invests in direct property assets, property securities, real estate debt and various corporate real estate investments within Australian real estate markets on a private and public equity basis.

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| Event                                                                                                                        | Date                     |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Enter trading halt                                                                                                           | Monday, 10 April 2017    |
| Announcement of Institutional Placement, Institutional Entitlement Offer and Retail Entitlement Offer                        | Tuesday, 11 April 2017   |
| Trading resumes                                                                                                              | Thursday, 13 April 2017  |
| Record Date for the Entitlement Offer (7pm AEST)                                                                             | Thursday, 13 April 2017  |
| Settlement of Institutional Placement and Institutional Entitlement Offer                                                    | Wednesday, 19 April 2017 |
| Allotment of New Units issued under the Institutional Placement and Institutional Entitlement Offer                          | Thursday, 20 April 2017  |
| Expected Trading of New Units issued under the Institutional Placement and Institutional Entitlement Offer on a normal basis | Thursday, 20 April 2017  |
| Retail Entitlement Offer opens and dispatch of Retail Offer Booklet                                                          | Thursday, 20 April 2017  |
| Retail Entitlement Offer closes                                                                                              | Tuesday, 2 May 2017      |
| Announcement of results of Retail Entitlement Offer                                                                          | Friday, 5 May 2017       |
| Settlement of Retail Entitlement Offer and Allotment of New Units issued under the Retail Entitlement Offer                  | Tuesday, 9 May 2017      |
| Expected Trading of New Units issued under the Retail Entitlement Offer on a normal basis                                    | Wednesday, 10 May 2017   |
| Dispatch of holding statements                                                                                               | Thursday, 11 May 2017    |

## **About 360 Capital**

360 Capital is a property investment and funds management group concentrating on strategic investment and active investment management of property assets. The company was formed in 2006 and has been actively investing in direct property assets, property securities and various corporate real estate acquisitions within Australian real estate markets on a private equity basis.

### **Issued by**

This announcement has been prepared by 360 Capital FM Limited (Responsible Entity) as responsible entity for the 360 Capital Total Return Fund (the Fund) in connection with a placement to institutional investors (Institutional Placement) and a non-renounceable entitlement offer (Entitlement Offer) of Stapled Units in the Fund (New Stapled Units). The Entitlement Offer is being made without the release of a prospectus or product disclosure statement, in accordance with section 1012DAA of the Corporations Act. Prospective investors should have regard to the Fund's periodic and continuous disclosure announcements to ASX in addition to this and any other announcement made in connection with the Entitlement Offer.

### **Disclaimer**

This announcement contains summary information about the Fund and its activities and has been prepared in accordance with information available to the Responsible Entity as at 11 April 2017. The information in the announcement has been prepared in good faith and with due care but no representation or warranty, express or implied, is provided in relation to the currency, accuracy, reliability or completeness of this information. The announcement should be read in conjunction with the Fund's other periodic and continuous disclosure announcements to ASX in addition to this and any other announcement made in connection with the Entitlement Offer.

### **Not financial product advice**

The information contained in this announcement is not financial product advice. This announcement and the associated offer documentation have been prepared without reference to your investment objectives, financial situation and particular needs. It is important you read this announcement and the accompanying offer documentation in their entirety, together with the Fund's periodic and continuous disclosure announcements to ASX, before making a decision whether to invest. If you are in any doubt, you should consult your broker or financial or other professional adviser.

### **Investment risk**

An investment in the Fund's Units is subject to investment and other known and unknown risks, some of which are beyond the control of the Fund. The Responsible Entity and the Fund do not guarantee any particular rate of return or the performance of the Fund. Persons should have regard to the risks outlined in this announcement and the associated offer documentation.

### **Not an offer**

This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any Stapled Units and neither this announcement nor anything contained in it will form the basis of any contract or commitment.

### **Financial information**

All financial and operational information contained in the announcement and the associated offer documentation is stated as at the date of this announcement, unless otherwise specified. Currency amounts are in Australian dollars.

### **Entitlement Offer restrictions**

The Entitlement Offer will be conducted in accordance with the requirements of the laws of Australia. No New Stapled Units are being offered to any person whose registered address is outside Australia or New Zealand. No action has been taken to register New Stapled Units or otherwise permit a public offering of New Stapled Units in any jurisdiction outside of Australia or New Zealand. This announcement and the related offer documents do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of the announcement and associated offer documentation in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of it who are not in Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### **Governing law**

This announcement, the Entitlement Offer and any contracts made in connection with the acceptance of the Entitlement Offer are governed by the laws of NSW, Australia. Each person who applies for New Units submits to the jurisdiction of the courts of NSW.

### **Forward looking statements**

This announcement and the associated offer documentation contain forward looking statements which are subject to known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Fund to vary materially from those expressed or implied in such forward looking statements. Some of the risk factors that impact on forward looking statements are set out in the Risks section of the associated offer documentation.

### **Past performance**

Past performance is not a reliable indicator of future performance.